

2005 MONROE COUNTY BUDGET EXECUTIVE SUMMARY

GENERAL OVERVIEW OF THE BUDGET

The 2005 budget totals \$982.4 million, a \$12.8 million increase over the 2004 adopted budget or 1.3%. The cost of mandates to Monroe County residents continues to grow. In the 2005 budget 78.6% of the expenditures are for mandated programs including Medicaid, Public Assistance and County Jail, totaling \$772.5 million. In fact the portion of the budget that is non-mandated, \$209.9 million or 21.4%, is \$1.0 million less than the 2004 adopted budget.

	Adopted 2004	Proposed 2005	% of 2005 Budget	% of Growth
Mandated Services	\$758.7	\$772.5	78.6%	1.8%
Non-Mandated	\$210.9	\$209.9	21.4%	-0.5%
TOTAL	\$969.6	\$982.4	100%	1.3%

The challenge of increasing costs for state required mandates balanced against limited revenue resources was met this year by executing a philosophy of tax and service stabilization. Rather than raise taxes or cut services as the strategy to achieve a balanced budget, department heads worked within their departments and across department lines to find efficiencies and savings opportunities.

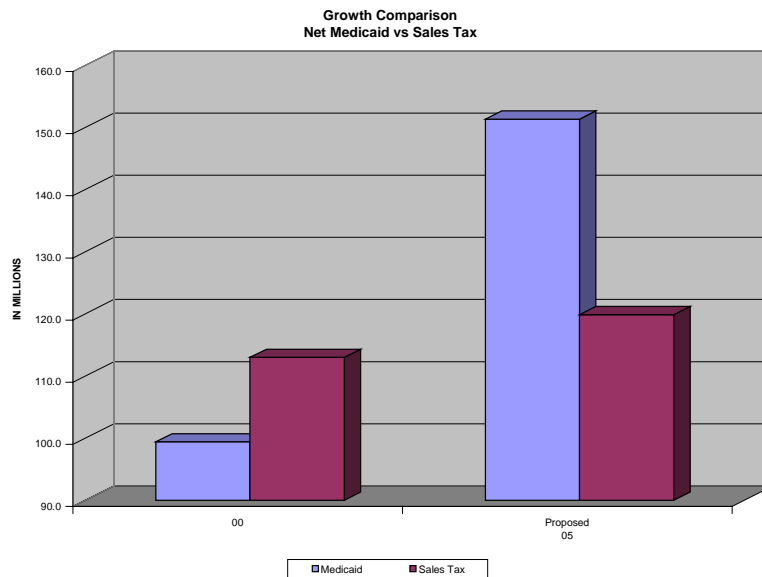
In some cases it was determined that Monroe County Government should not be in a particular business or provide a particular service. An example of this is Publication Services being eliminated. In some cases consolidation across department lines was implemented to lower costs. An example of this is the new Public Works Sector. And in some cases it was determined that Monroe County Government is the best service provider and investments were made. An example of this is found in the county's move to in source Foster Care services.

BUDGET BOOK FORMAT

The Budget Book presentation has been formatted to provide a clearer picture of the Mandated and Non-mandated services provided by Monroe County. In addition the budgets are detailed by Elected Office. You will find sections for County Executive, County Clerk, County Legislature, District Attorney and Sheriff. In each section you will find a summary of the services they provide distinguished between Mandated and Non-mandated. Also added this year is a section projecting expenses and revenues for budget years 2006 and 2007.

MEDICAID EXPENSE DETAIL

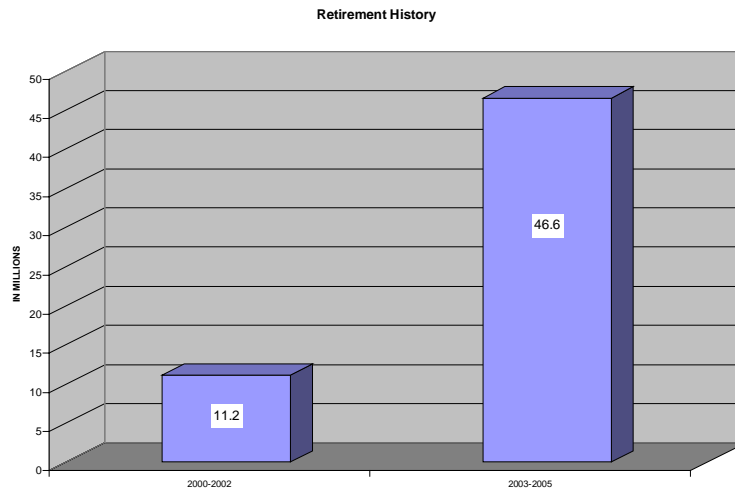
No other state requires local government to spend as much on Medicaid as New York State. New York State spends more on Medicaid than 40 other states combined. And the increase in the cost is rising at double-digit levels. In 2005 Medicaid will cost over \$31.4 million more than Monroe County will receive in Sales Tax Revenue! This requires Monroe County Government to rely more than ever on property taxes, not only to afford the services provided by County government, but also for New York State mandated programs, over which Monroe County Government has little control.



To put this another way, in calendar year 2000, Monroe County's share of the sales tax revenue exceeded Medicaid expenses by \$13.6 million. This difference in sales tax dollars available to support local services, from 2000's contribution of \$13.6 million to the 2005 deficit of \$31.4 million has put tremendous pressure on how Monroe County Government funds the services this community has come to expect and enjoy. We again call for meaningful reform at the State level in the services provided under Medicaid and the responsibility for paying for those services.

PENSION COSTS

Monroe County's mandated contribution to the New York State Retirement System was impacted significantly by state legislative action. From an estimated contribution for 2005 of \$34.7 million before this legislation, the impact of pension costs in the 2005 budget reflects payments to be made of \$13.5 million. Essentially the legislation provides some flexibility in how the payment is structured and the timing of the payment to counties across the state allowing for needed time to both fund the payment as well as determine if the ongoing cost for pension will continue at record levels in light of recent history.



In the period of 2000-2002 total pension contribution for Monroe County was \$11.2 million, or an average of \$3.7 million per year. For the time period 2003-2005 pension contribution totals \$46.6 million, or an average of \$15.5 million per year. The dramatic change in county costs reflects the stock market decline in the early part of this decade, which significantly lowered the endowment available to pay pension liabilities. Mandated pension contributions have been raised these past few years to replenish the endowment. With the economy on a modest upswing, future pension costs may stabilize at lower levels, providing some relief from this source of budget pressure; there is no certainty this will occur.

COUNTY SERVICES OVERVIEW

The dramatic rise in costs for Medicaid and the New York Pension contributions challenges the county's ability to fund other important services for our residents. Below provides an overview by Department of the plans included in the 2005 budget.

County Executive

Included in the County Executive budget section are all the departments of county government that the County Executive has management responsibility for. Some of the major department highlights include:

Aviation: The Greater Rochester International Airport has seen impressive successes in added airlines and the resulting increase in passenger traffic. August 2004 recorded the highest number of passenger boardings in Airport history. The airport is self-funded and requires no financial support from the county general fund. Continued improvements will be made to the facility to respond to security issues and passenger growth.

Human Services: This department, formerly the Human and Health Services Department, oversees Federal and State Mandated social service programs along with the significant investment the county makes in Preventive and Protective services. The County Executive's Budget Advisory Team (BAT) looked closely at the services provided and the manner in which the services are delivered. Working with the strategy that the "services are mandated, but the costs are not," this department has integrated over 30 initiatives into their programs to improve what is done while lowering costs. By way of example, the Human Services Department is partnering with Hillside Children's Center to expand the successful High School Scholarship Program. The county is leveraging a state program to combine state funding with private donor dollars; expanding the program with no cost to the county budget.

Monroe Community Hospital: Federal and state funding for community hospitals has changed significantly the past few years. Recognized nationally for the care provided, Monroe Community Hospital has seen balanced expenses and revenues for many years become dwarfed by deficits in recent years. Monroe County will contribute \$5.2 million to balance their budget in 2005. While the BAT has recommended that the county consider outsourcing the management and staffing at the hospital to control costs, this budget offers time for the research to be done to find solutions that make sense for the community. With the deficit projected to be sustained at \$7 million to \$9 million annually, reimbursement rates and/or expenses must change for the Monroe Community Hospital to continue in the current structure.

Public Health: This department provides services that focus on promoting health and the prevention of health problems through education, health code enforcement and medical policies. The medical examiner is also part of this department. As funding for Mandated social service programs force funding into the state and federal programs, the Public Health Department has maintained its mission through innovative programs and funding opportunities. The *Priorities for Monroe County*, led by the Public Health Department in coordination with HEALTH ACTION is one such innovative community health improvement effort. Their scorecard is detailed in the section on Public Health.

Public Safety: While the District Attorney, Public Defender and Sheriff directly impact public safety, the Public Safety Department consolidates and manages functions related to the provision of public safety services. These services include Probation/Community Corrections, 9-1-1 Center, Office of Emergency Preparedness, Public Safety Lab and much more. Funding for this department recognizes the safety of our community needs varied and coordinated resources to respond to a wider variety of security concerns.

Public Works Sector: The BAT highly recommended consolidation where possible. The Departments of Environmental Services, Transportation and Parks have joined together under the Public Works umbrella. These departments take care of disposal and management of waste materials from water and solids; management of county owned facilities; design, construction and maintenance of roads and bridges; oversight, improvement and maintenance of county parks and the county zoo and much more. While each service requires its own level of specialization, by sharing expertise, equipment and labor, a projected \$1 million will be saved.

Other highlights include the continued development of the Metropolitan fiber network linking towns and villages to the county network; design and installation of additional traffic monitoring cameras on city/county arterials; complete the design and initiate construction of the Sea Breeze-Charlotte-Seneca Trail.

County Clerk

The County Clerk is the County Registrar and Clerk of the Supreme and County Courts. This department has a high level of interaction with the public for transactions and as a source for county records. The County Clerk is in the process of making 4.5 million pages of public documents available electronically, creating one of the largest Internet accessible databases of public records in the state. Through the efficiency of transaction processing and the high level of user satisfaction, the County Clerk budget includes significant revenue contributions back to the county, reducing taxpayer costs.

County Legislature

The County Legislature is comprised of 29 elected Legislators representing the residents of Monroe County. This budget includes the appropriations for the legislators as well as the Office of the Legislative Clerk, the Office of the Legislative President and staff support for both Republicans and Democrats. This budget provides reduced funding reflective of the increased costs for Mandated services.

District Attorney

The District Attorney is the Chief Prosecutor for Monroe County and this department oversees the prosecution of all crime in the county. The office prosecutes on behalf of all town, village, city and county courts, over 45 courts in all. In addition to the prosecution of violent criminal activity, the District Attorney handles DWI, Domestic Violence, White-Collar crime cases among a variety of other responsibilities. Funding for all existing services are included in this budget.

Sheriff

This budget funds the many services provided by the Sheriff. Mandated services include the County Jail and Civil Bureau as well as the state contract for Court Security. Police Bureau services are not specifically mandated. These include the Road Patrol, Airport Security Unit, STAR Unit and many more. All these services have been funded in this budget. Resources addressing homeland security issues are also included.

An important consolidation of services in the Information Services (IS) and Fleet Maintenance Center will allow for reduced costs for this department. Where possible, the personnel supporting the computer and information systems for the Sheriff will be part of the Information Systems Department. This will provide greater resources for the Sheriff, and the shared personnel will be more effective in their overall contribution to county needs.

The Fleet Maintenance Center will also share personnel and other resources, as appropriate, in order to maximize productivity and efficiency. The consolidation of these two operations (IS and Fleet) will save taxpayers over \$600,000 without impacting the services to the community.

CONCLUSION

Medicaid costs are increasing at levels not sustainable from current revenue strategies. The Forecast Section of the Budget Book shows a widening gap if continued action is not implemented. This budget reflects hard choices made. These choices include workforce reductions, service consolidations, even the choice to fund some preventive services to improve lives and strengthen the community. The Forecast Section invites the community to prioritize our investments, to help decide what type of community we want to be and how we will fund it. The result is to make our choices more informed, more purposeful, more consequential.